

## SADIE LOBE

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APRIL 22, 1958.—Committed to the Committee of the Whole House and ordered to be printed

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Mr. CRETELLA, from the Committee on the Judiciary, submitted the following

### REPORT

[To accompany H. R. 1331]

The Committee on the Judiciary, to whom was referred the bill (H. R. 1331) for the relief of Sadie Lobe, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

#### PURPOSE

The purpose of the proposed legislation is to relieve Sadie Lobe, of Cleveland, Ohio, of all liability to refund the amounts paid her as compensation for her services as an employee of the Department of the Treasury in the periods from July 1, 1938, to June 30, 1943, and from July 1, 1951, to September 16, 1954. Those payments were subsequently determined to have been made in contravention of prohibitions against the payment of compensation to persons not citizens of the United States in annual appropriation acts for those periods, and such payments amount to \$22,348.50.

#### STATEMENT

Miss Lobe was born in Russia on December 13, 1900. When she was about 2 months old, her parents left Russia and traveled to England. About a year later, Miss Lobe was brought to the United States. This was about June of 1902.

Miss Lobe was attending a commercial college in 1919 when an office of the Bureau of Internal Revenue located in the same building appealed for temporary office help. She applied for a typing job, and her recollection was that she was not required to state whether or not she was a citizen. This job was taken while she was a student at the business school, and she was able to finish her course by working days

and taking her commercial courses at night. In September of 1919 she was made a permanent employee.

The report of the Department of the Treasury on H. R. 1331 states that Miss Lobe was an employee of the Treasury Department for 35 years. As to the confusion concerning the place of her birth and, therefore, her citizenship, that report stated:

The circumstances surrounding her place of birth and citizenship were matters of which she may, or may not, have been aware. At the time of her separation, she was entrusted with a responsible position and had a very creditable employment record. After 35 years of service, she has been denied all rights to a pension under the civil-service retirement system. In view of these extenuating circumstances, the Treasury Department believes that Miss Lobe has been sufficiently punished and is of the opinion that the bill merits approval.

After careful consideration of this case, the committee agrees that the case merits legislative relief in the manner provided for in H. R. 1331. The facts established by the evidence presented to the committee in support of the bill and in the memorandum attached to the Treasury Department report establish that, in all fairness, Miss Lobe should be relieved of liability. It is clear that the Government has had the benefit of her services for the years included in the periods stated in the bill. Further, it appears from the evidence presented to the committee that, in the early years of her employment, Miss Lobe was confused as to her citizenship status. It was in or about 1941 that, in the course of discussion with her father, she discovered that he was not a citizen. Finally, in 1954, the Personnel Division of the Internal Revenue Service called on Miss Lobe to clarify the records concerning her place of birth. When she supplied the facts, the ultimate results was that she was separated from her Government employment. The committee finds that this result should be sufficient penalty without the additional imposition of the liability to refund the compensation she was paid for her years of work. Therefore, the committee recommends that the bill be considered favorably.

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TREASURY DEPARTMENT,  
Washington, March 13, 1958.

HON. EMANUEL CELLER,  
*Chairman, Committee on the Judiciary,  
House of Representatives, Washington, D. C.*

MY DEAR MR. CHAIRMAN: Reference is made to your letter of January 25, 1957, requesting a statement of this Department's views on H. R. 1331, for the relief of Sadie Lobe.

The proposed legislation would relieve Sadie Lobe of all liability to pay to the United States the sum of \$22,348.50, which represents compensation paid to her from July 1, 1938, to June 30, 1943, and from July 1, 1951, to September 16, 1954, as an employee of the Treasury Department, in contravention of prohibitions against the payment of compensation to persons not citizens of the United States which were included in annual appropriations acts for such periods. It would also give full credit, in the audit and settlement of the

accounts of certifying or disbursing officer of the United States, for all amounts for which liability is relieved by the bill.

Miss Lobe was an employee of the Treasury Department for 35 years. The circumstances surrounding her place of birth and citizenship were matters of which she may, or may not, have been aware. At the time of her separation, she was entrusted with a responsible position and had a very creditable employment record. After 35 years of service, she has been denied all rights to a pension under the civil-service retirement system. In view of these extenuating circumstances, the Treasury Department believes that Miss Lobe has been sufficiently punished and is of the opinion that the bill merits approval. The attached memorandum sets forth the details of Miss Lobe's employment and her separation from the Internal Revenue Service.

The Department has been advised by the Bureau of the Budget that there is no objection to the submission of this report to your committee.

Very truly yours,

FRED C. SCRIBNER, Jr.,  
*Acting Secretary of the Treasury.*

MEMORANDUM RE H. R. 1331

The facts set forth below have been extracted from the official personnel file of Sadie Lobe.

On March 7, 1919, Sadie Lobe applied for employment with the Cleveland district office of the Bureau of Internal Revenue. On the application blank she stated in her own handwriting that she was a citizen of the United States, born in London, England, on December 13, 1900. Three days later, on March 10, Sadie Lobe was employed in the Cleveland district office as a deputy collector at \$1,200 per annum.

A second application for employment was completed in duplicate by Sadie Lobe, which bears the date of March 10, 1919. However, the legend on the form reveals that the form had been revised in September 1922. On this application blank, it is stated that she was a citizen of the United States, born in Cleveland, Ohio, on December 14, 1900. It appears that someone had erased the initial entry as to the place of birth and inserted "Cleveland, Ohio" in its stead. The personnel file of this individual does not explain the reason for this second application or the cause of the change in the statement of the place of birth.

Sadie Lobe worked continuously in the Cleveland district office for 35 years from 1919 until her separation by the Service on September 16, 1954. At that time she was a clerk (tax-returns specialist) with a GS-6 rating. She supervised six clerks and typists and was in charge of responsible office work. The efficiency ratings of this individual by her immediate superiors were always "excellent" or "very good." The personnel file contains nothing unfavorable on Sadie Lobe that would question her integrity, loyalty, or honesty, other than as set forth herein.

The facts leading up to the separation of Sadie Lobe by the Service are set forth in a memorandum dated May 6, 1955, from the district director of internal revenue, Cleveland, Ohio, to the regional commissioner of internal revenue, Cincinnati, Ohio, as follows:

"In June 1953, all employees of the Cleveland district were asked to submit a current SF-57. Miss Lobe complied with this request. In August 1954, it was noted that the employee had omitted her place of birth on the application dated June 24, 1953. Miss Lobe was asked to complete this portion of the application and, by so doing, she entered Cleveland, Ohio, as her place of birth. In reviewing previous applications on file in her official personnel folder, it was noted that on an application dated March 7, 1919, and signed by Miss Lobe, she shows her place of birth as London, England, and date of birth December 13, 1900. Application dated March 10, 1919, and signed by Miss Lobe, shows her place of birth as Cleveland, Ohio, and date of birth December 14, 1900.

"On August 19, 1954, the employee was asked to explain the variation of places of birth recorded on her application. She stated that the London, England, entry was in error and that, possibly, at the time she made the entry she may have thought her place of birth was London, England. However, she stated that she was now certain that her place of birth was East 28th Street, Cleveland, Ohio, and that she is a citizen of the United States. She was uncertain as to her actual date of birth. She stated that her parents were born in Russia. Her parents names are Benjamin and Mary Labidius. The name was changed to Lobe after entrance into the United States. She stated that her parents left Russia for England, and resided there for about 1 year before coming to this country. The port of entry was not known. She believed that her parents entered the United States about 1898-99.

"In view of the above, the employee was asked to immediately secure a birth certificate. On the same day the employee returned to the personnel office and stated that the facts she had given were not true and now she wished to reveal the truth at this time. She stated that her place of birth was London, England, and that she entered the United States about 1901. She said that she failed to disclose this information previously because of a feeling of embarrassment caused by naturalization difficulties encountered by her father. The father is now deceased; the mother is living in Cleveland, Ohio. She further stated that her brother, Charles A. Lobe, established citizenship about 7 years ago. She was still not sure of her exact birth date.

"Miss Lobe claimed that her noncitizenship caused her considerable worry and distress during her 35 years with the Internal Revenue Service, but embarrassment prevented her from taking any action. She also stated that, now that the facts were brought to light, she would immediately apply for naturalization. We advised her to remain on duty until further notification.

"On September 16, 1954, Miss Lobe signed a request for leave-without-pay status from beginning of business September 17, 1954, through the close of business October 1, 1954. This was done to enable the national office to make a determination relative to her eligibility to remain in employment of Internal Revenue Service. On September 27, 1954, we contacted the immigration and naturalization office and advised them of the circumstances regarding the case. Miss Lobe secured a citizenship application blank and was scheduled for fingerprinting and preliminary processing of the application on September 28, 1954.



"On September 28, 1954, Miss Lobe stated that her father was not naturalized. In view of this information, it would be necessary for her to obtain citizenship through normal channels. On the same date, the immigration and naturalization office advised that Miss Lobe had filed an application for naturalization.

"On September 30, 1954, the employee signed a statement requesting an extension of leave without pay for an indefinite period until employment status had been adjudicated.

"On December 17, 1954, in a telephone conversation with Miss Lobe, she advised that she had made application for United States citizenship and had been requested to obtain additional information from the Bureau of the Census. The information received by Miss Lobe from the Bureau of the Census indicated that her place of birth was Russia, and not Britain. We suggested that she contact the British consulate regarding the possibility of establishing British citizenship.

"On January 4, 1955, the national office advised us to initiate immediate action to remove the employee for falsification of employment documents and that all payments for salary, accrued [sic] leave, and retirement account be withheld.

"On January 6, 1955, a special-delivery, registered letter was forwarded to the employee proposing her removal and advised her of the right to answer the notice of proposed removal. The employee failed to reply to the proposal within the 3-day limitation, and a notice of final decision was issued on January 14, 1955, notifying her of the removal effective close of business January 14, 1955. The notification of personnel action, SF-50, was effected January 14, 1955."

The charge upon which Sadie Lobe was removed by the Service was the following: "For falsifying your place of birth on employment documents." The falsification of citizenship was not made a charge for removal, although such point was established collaterally.

Since July 1, 1938, salary payments to employees in the Internal Revenue Service have been subject to certain citizenship requirements by the various appropriation acts. Therefore, on September 26, 1955, the advice of the Comptroller General of the United States was requested by the Secretary of the Treasury as to the disposition of accrued salary, accrued annual-leave payments, and retirement-fund credits due Sadie Lobe, and what part of the compensation paid to her prior to her separation she would be required to refund to the Government.

In a reported opinion (B125640, October 20, 1955), the Comptroller General decided that the wages paid to Sadie Lobe from July 1, 1938, to June 30, 1943, and from July 1, 1951, to September 16, 1954, were in contravention of specific provisions in the appropriation acts for those years, and such wages were subject to recovery by the Government. Furthermore, any accrued salary and accrued annual-leave payments should be forfeited and all retirement-fund credits should be offset against the amount due the Government.

It was determined that Sadie Lobe was illegally paid \$22,348.50. However, her account is credited with the amount of \$946.05 (the amount of contributions which she made to the retirement system during the period of her illegal employment) and \$15 (the amount of salary withheld at the time of her separation for the purchase of bonds). Thus, she owes to the Government the net amount of \$21,387.45.

The Fiscal Management Branch, Cincinnati, Ohio, made a request by letter on March 23, 1956, to Sadie Lobe for a refund of \$21,442.01. This amount was erroneous, but was later corrected. In reply she stated she had no financial means with which to pay such amount.

Miss Lobe is not entitled to any civil-service retirement pension for the period of her improper employment, but her separation from service does not affect her right to receive such a pension for the period during which she was properly employed. However, any pension to which she becomes entitled will be applied to satisfy her liability to the Government. Thus, if her entire liability of \$22,348.50 is eliminated, she will receive the pension for the period of her proper employment, and her rights to a pension for the period of her improper employment will be restored.

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